



City of Seattle

Jenny A. Durkan, Mayor

Executive Department – Office of Intergovernmental Relations

Lily Wilson-Codega, Director

Date: April 6, 2020

To: Councilmembers

From: Lily Wilson-Codega, Director, OIR; Cheryl Swab, Deputy Director, OIR; Sierra Howlett Browne
Federal Affairs Director, OIR; Leslie Pollner, Holland & Knight; Robin Koskey, State Relations
Director, OIR

Subject: Council Briefing April 6

Agenda:

Introduction – Lily Wilson-Codega

Federal Update – Sierra Howlett Browne and Leslie Pollner

State Update – Robin Koskey

Question & Answer

Federal Response:

March 6, 2020 - Round 1: \$8.3 Billion Supplemental

- Focus on emergency services, public health, and small business relief.

March 18, 2020 - Round 2: Families First Coronavirus Response Act

- Focus on paid family and medical leave and unemployment insurance.

March 27, 2020 - Round 3: \$2.2 Trillion Coronavirus Aid, Relief, and Economic Security Act (CARES Act)

- Focus on direct payments to individuals, unemployment insurance increases, small business support, and comprehensive funding throughout several departments in the federal government.

Timing TBD – Potential Round 4 (and future rounds)

CARES Act - Highlights from the bill include:

- **Direct assistance to states and localities** - \$150 billion for states and localities (over 500,000 people) to use for expenditures incurred due to the public health emergency with respect to COVID-19 in the face of revenue declines, allocated by population proportions. 55% to states; 45% to localities.
- **Supplemental Nutrition Assistance Program (SNAP)** –\$15.5 billion in additional funding
- **Child Nutrition Programs** –\$8.8 billion in additional funding to ensure children receive meals while school is not in session.
- **Low Income Home Energy Assistance Program (LIHEAP)** –\$900 million to help lower income households heat and cool their homes.
- **Child Care Development Block Grant** – The bill supports child care and early education programs by including \$3.5 billion for the Child Care Development Block Grant. This funding will allow child care programs to maintain critical operations, including meeting emergency staffing

needs and ensuring first responders and health care workers can access child care while they respond to the pandemic.

- **Head Start Program** – \$750 million for grants to all Head Start programs to help them respond to coronavirus related needs of children and families, including making up for lost learning time. Funding is available to cover the cost of operating supplemental summer programs at existing Head Start facilities ready to operate such programs.
- **Federal Emergency Management Agency (FEMA):**
 - **Disaster Relief Fund:** The bill provides \$45 billion for the immediate needs of state, local, tribal, and territorial governments to protect citizens and help them recovery from the overwhelming effects of COVID-19. Reimbursable activities may include medical response, personal protective equipment, National Guard deployment, coordination of logistics, safety measures, and community services nationwide.
 - **Assistance to Firefighter Grants:** The bill provides \$100 million for the purchase of personal protective equipment and related supplies, including reimbursements.
 - **Emergency Management Performance Grants:** The bill provides \$100 million which focus on emergency preparedness
 - **Emergency Food and Shelter Program:** The bill provides \$200 million which provides shelter, food, and supportive services through local service organizations.
- **Community Development Block Grant (CDBG)** – \$5 billion. Distribution of Funds, as follows:
 - \$2 billion direct allocation to states and local governments through the regular program formula (all grantees that received a CDBG allocation in FY20 will receive this funding). HUD must allocate the funds within 30 days of enactment of the bill.
 - \$1 billion to states based on a new formula (public health needs, risk of transmission of coronavirus, number of coronavirus cases compared to the national average, economic and housing market disruptions, and other factors determined by HUD).
 - \$2 billion to be allocated directly to states and local governments via a new formula to be developed by HUD (prioritizing risk of transmission of coronavirus, number of coronavirus cases compared to the national average, and economic and housing market disruption resulting from coronavirus). The funds will be used to cover or reimburse allowable costs incurred by a state or locality regardless of the date on which the costs were incurred.
- **Homeless Assistance Grants** – \$4 billion. These funds will enable state and local governments to address coronavirus among the homeless population. These grants, in combination with additional waiver authority, will provide targeted assistance to contain the spread of coronavirus among homeless individuals.
 - \$2 billion allocated through the regular program formula to all grantees that received funding in FY20
 - \$2 billion allocated to states and local governments to areas with the greatest need via a formula to be developed by HUD (risk of transmission of coronavirus, high numbers or rates of sheltered homeless, and economic and market conditions)
- **Tenant-Based Rental Assistance** – \$1.25 billion. These funds will preserve Section 8 voucher rental assistance for seniors, the disabled, and low-income working families, who will experience loss of income from the coronavirus.
- **Public Housing Operating Fund** – \$685 million. These funds will provide Public Housing Agencies with additional operating assistance to make up for reduced tenant rent payments, as well as to help contain the spread of coronavirus in public housing properties.

- **Rental Assistance Protections for Low-Income Americans** – \$3 billion is included for housing providers to help more than 4.5 million low-income households made up of more than 9.6 million individuals currently assisted by HUD to safely remain in their homes or access temporary housing assistance.
- **Small Business Administration (SBA)** - The bill provides \$562 million to ensure that SBA has the resources to provide Economic Injury Disaster Loans (EIDL) to businesses.
 - This funding is in addition to the significant assistance provided in the Keeping American Workers Employed and Paid Act, which authorizes \$350 billion worth of 100 percent guaranteed SBA loans, a portion of which SBA will forgive based on allowable expenses for the borrower. This small business package also includes \$10 billion in direct grants for businesses that do not qualify for the EIDL program, and \$17 billion to have SBA step in and make six months of principle and interest payments for all SBA backed business loans.
- **Unemployment Insurance** - Creates a temporary Pandemic Unemployment Assistance program beginning January 27, 2020 through December 31, 2020, to provide payment to those not traditionally eligible for unemployment benefits (self-employed, independent contractors, seeking part-time employment, gig economy workers, those with limited work history, and others) who are unable to work as a direct result of the coronavirus public health emergency.
 - Provides payment to states to reimburse nonprofits, government agencies, and Indian tribes for half of the costs they incur through December 31, 2020 to pay unemployment benefits.
 - Provides an additional \$600 per week payment to each recipient of unemployment insurance or Pandemic Unemployment Assistance recipient for up to four months.
 - Provides funding to pay the cost of the first week of unemployment benefits for states that choose to pay recipients as soon as they become unemployed instead of waiting one week before the individual is eligible to receive unemployment benefits.
 - Provides an additional 13 weeks of unemployment benefits.

State Response:

In the final days of the session, the state passed HB 2965 to respond to the public health crisis. The bill went into effect immediately and was signed by the Governor on March 17, 2020. It included:

- \$200 million in funds - \$175 million from the budget stabilization account (rainy-day fund) and \$25 million from General Fund.
- Transfers \$175 million to disaster response account at the Office of Financial Management for allotment to state agencies and for distribution to local governments and federally recognized tribes for response to novel coronavirus.
- Transfers \$25 million transferred to COVID-19 Unemployment account to cover employer unemployment benefit charges for employees displaced as a result of COVID-19.
- Funding conditions:
 - Office of Financial Management must provide monthly updates on spending to legislature
 - Funding may not supplant existing federal, state and local funds
 - Agencies and local governments must demonstrate maximum use of federal funds for coronavirus response and remit funds to state for reimbursement if federal funds are received

- Office of Financial Management must return any unused funds to the rainy- day fund
- Exempts individuals under quarantine or isolation for COVID-19 from complying with Unemployment Insurance work requirements
- Authorizes nursing facility payments, including Medicaid payments to adequately resource facility responses
- Allows State Board of Education to adopt rules to give local education agencies flexibility from graduation requirements

Eviction Moratorium

On March 18, Governor Inslee signed a statewide order [prohibiting evictions](#) until April 17. The Governor's order does not cover late payments or other fees, as the City moratorium does.

Foreclosure Postponement and Mortgage Forbearance

On March 31, Governor Inslee announced the Department of Financial Institutions has [issued guidance](#) urging mortgage loan servicers to allow forbearance and grace period to complete loan modification, postpone foreclosures and waive late fees.

Unemployment Insurance

In addition to federal benefits, Governor Inslee has waived work search requirements for those impacted by COVID-19. The Employment Security Department (ESD) is working on expanding capacity to process claims and operationalize the claim process for gig workers. Every claims that is denied is being reviewed by ESD staff. ESD has a web page with [COVID-19 information](#) for employers and employees.

Commerce Emergency Housing Grant

The Department of Commerce quickly got funds from the state operating budget ear marked for shelter enhancement (\$20 million) and disaster response account (\$10 million) out to counties to help create housing necessary for quarantine, isolation and additional sanitation to address the COVID-19 pandemic. King County is receiving \$10.7 million. The City coordinated with King County on the application for funds.